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"2012 Interim Financial Results" Conference Call

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&
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Conference Call Conducted by Chorus Call Hellas

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OPERATOR: Good afternoon, ladies and gentlemen, this is the Chorus Call conference operator.

Welcome and thank you for joining Hellenic Petroleum Interim 2012 Financial Results Conference Call.

At this time, I would like to turn the conference over to Mr. John Costopoulos, Chief Executive Officer, Mr. Andreas Siamisis, Chief Financial Officer, Mr. George Alexopoulos, Corporate Planning and Development Director and Mr. Vasilis Tsaitas, Investor Relations Officer.

Gentlemen, please go ahead.

COSTOPOULOS J: Ladies and gentlemen good afternoon. Welcome to our Conference Call where we are going to be discussing our Second Quarter 2012 Results. I think this quarter we are…despite the very difficult environment within which we are operating in Greece, we are quite pleased to announce a positive set of adjusted results as you have seen from the slides that we've sent you. Of course, because of inventory losses, our reported results obviously came lower.

And the other good news is that the commissioning and startup phase of our upgraded Elefsis Refinery has now been completed and we are going to start shipping products within the second quarter of 2012…sorry, the third quarter of 2012 in September. And you know, as expected, we think that this operation…we believe this operation of the new refinery will significantly improve our results and our cash flows.

I will pass on to the presentation to Mr. Andreas Shiamisis, our CFO, who will take you through our results for the Group and then as usual we will take you through the results of each and every business segment. And of course, we will be here to answer your questions at the end of the presentation. Thank you very much. Andreas.

SIAMISIS A: Thank you, John. Good afternoon, ladies and gentlemen. As John mentioned, we have a number of good news to communicate today. In terms of the numbers, you see our key financial numbers on Page 2. Our adjusted EBITDA was just shy of €200 million for the quarter, which is a 36% increase versus last year. And our net income is at €86 million, 7% lower mainly because of the re-evaluation impact of US dollar loans on our balance sheet as of the end of June.

In terms of net debt and CapEx, we have about €1.8 billion of net debts, a bit lower than the previous quarter. And in the second quarter, we've spent about €140 million of capital expenditure. As you appreciate, most of these relates to our Elefsina upgrade project, which effectively is running its last legs now as a capital investment program.

In terms of the key points very quickly through the drivers for the business. In terms of outlook, I think we've all seen with a lot of relief one of the best quarters ever for benchmark margins, gasoline cracks helped to record FCC benchmark margins at the highest levels since the end of 2008. And that has helped our performance a lot with Aspropyrgos refinery being in full operation and Thessaloniki being able to take advantage of the naphtha gasoline crack, that has been a very good market…a very good quarter for us.

In terms of the crude oil supply, I think as every other refinery in the Med, we had to weather the volatility of prices. At the end of June, we had a very significant impact on our results, as a result of…due to the decrease of the price, which of course, a couple of weeks later reversed to give us inventory gains, which if things remain as they are, we will be reporting in the third quarter.

Exchange rate once again has been driven by Eurozone developments and 1.28 is something which benefits our ongoing business. Clearly, we are a dollar based business and having a strong dollar benefits the actual realized margins that we report. The downside is that on reported results, we get hit by the re-evaluation of US dollar loans, but we don't show the appreciation of our dollar inventory on the balance sheet.

That's the key points on the industry environment. In terms of the Greek demand, we are seeing a further deterioration of demand. We are estimating a 12% drop versus last year, which is pretty much the same across all product categories. Going into the second half of the year, a key determinant for our sales performance will be the heating gasoil sales, which we will be discussing in a minute. And that will be driven by the change of excess taxes as well.

In terms of results, we have described the numbers. I think there are two main areas where we would like to highlight the performance, thus the refining business which has benefited from not only benchmark refining margins, but actual netbacks as well, which is effectively a combination of the market, as well as our own doing, in terms of supply and scheduling, optimization of crude supply, and clearly the LP of the refineries. And in addition to that, we are reporting for a third year a reduction in our operating cost base, which clearly benefits in a number of ways.

On the negative side, our results have been impacted by the changes in terms of crude supply and that has to do with the adjustment of our crude slate following the imposition of sanctions. And a temporary issue with credit provision in Greece, particularly during the pre-election campaign in April, May and June. So that has given us…a one-off increase in our supply costs.

In terms of our balance sheet, we have €1.8 billion of net debt, which is down due to the lower inventory and the recovery of prepaid taxes, safely within our plan for this time of our strategy. And the third piece of good news, the first one being the results and then second Elefsina startup, is the fact that we are advanceding on the refinancing of our loans which mature in the next six to nine months.

Strategic issues, I think we've already discussed about the Elefsina Refinery startup. We expect to see the cash flows coming into HP in the third quarter. Effectively in September, we expect to have our first sales of products from Elefsina in a material way. The sales process for DEPA-DESFA is expected to accelerate with the appointment of the new management team at the privatization front, and we expect that to be progressing at a faster rate.

In terms of the environment post-elections in June, clearly we have a better environment in terms of risk perception and the startup of Elefsina helps to achieve the refinancing of our loans, which mature in the next 6 to 12 months.

Crude supply we mentioned, and that in adjusted to reflect effectively the sanctions on Iranian supplies. We've participated in the bidding round for the exploration blocks in Greece. We don't have any results at this point in time, but clearly that is an opportunity which we will need to evaluate in the coming years, if we are the selected one to participate in these areas.

Finally, it's been announced that as of October, which is the heating gasoil season, we will be seeing a harmonization of excise duties for auto diesel as well as heating gasoil. Now, clearly that will have an adverse impact on demand because of the price increase for the consumer, but that is something, which is expected to bring a benefit to the market in terms of rationalization and the knock-on effects on the retail businesses, which will be competing on a level basis now.

Moving on to the industry environment, I think we've already discussed about the volatility of crude oil and the behavior of the euro/dollar exchange rate. And in terms of margins on the following page, it's clear that we are benefiting from a very healthy refining margin on FCC cracking refineries. Now, Aspropyrgos accounts for about 80% of our production compared to almost 100% last year, and that's because Thessaloniki is now in full production modes.

In terms of Greek domestic markets, you can see on Page 8 an estimation of the six monthly demand performance. We are reporting about 10% to 11% lower sales in the Greek domestic market. And as you can see, the reduction is pretty much the same across the board. We should mention that the heating gasoil has benefited from April sales as the equalization of excise tax was announced at the beginning of the year. And that led to a bit of stocking up by consumers in anticipation of a higher cost in October.

Now, in terms of our EBITDA performance on Page 10, we present the key components of our business for the half year as well as the quarter. It's quite clear that the performance in refining is driven by the cost control, the strong margins as well as the increase in exports coming from the Thessaloniki Refinery, which offset and outweigh the impact from the weaker demand in Greece as well as the increased supply costs that we experienced in the last quarter as a result of the sanctions.

In terms of cash flows, we are presenting a second quarter…sorry a half year view here, which effectively explains how we are funding our operating outflows from our EBITDA. And at the same time, the upgrade CapEx, which is sort of running its last legs as I mentioned earlier, is financed with a slight increase in our net debt.

Net debt is down by €0.5 billion versus the first quarter. This is usually the case as a result of seasonality post-heating gasoil, as well as the rebasing of the inventories which takes place on April every year when we have the CSO recalculation, the compulsory stock obligation levels of calculation. And of course, we are pleased to say that we have been able to recover taxes, which…VAT taxes which were prepaid and due by the state for some time now.

In terms of the refinancing, which has been a critical part to our weight load over the last few months. You can see on Page 13, a breakdown of our net debt, our gross debt and cash as at the end of June. We need to refinance effectively the two facilities which mature in December '12 of €350 million, and the RCF, which matures in February '13…at the end of January effectively. Together it makes up a total amount to be repaid of about €1.2, €1.3 billion.

And our plan is quite clear now. We will be repaying the first loan using our cash reserves and projected cash flows over the next few months. As you can see, we have stashed up some cash reserves which will help us to materialize this plan. And on the syndicated RCF, we will be aiming to raise a new debt, a new loan of about €700 to €800 million, which again together with cash reserves will be used to repay the $1.2 billion RCF which matures in February. So, in terms of plan, this is quite simple.

Now, our refinancing plan was based around the cash flows and the startup of Elefsina, which makes all the difference in the world. Instead of actually spending money on our capital investment program and using the rest of the Group to generate cash flows for that, we are effectively going to be reducing significantly our CapEx. And we will be enjoying the incremental gross margin from the refinery given that we actually have all of the costs into system for some time now.

Refinancing is not an easy thing these days, particularly if you have zip codes in Greece. So we've had to adapt and our strategy is anchored around our Greek and some of our international relationship banks, which have been with us for a long time. They have supported us through this crisis.

And we take the opportunity to thank them for that, but they actually are planning to support us for the next phase of our strategy, which is going to be more exciting. We've developed the structure of the new loans to match our cash flow profile and we have not included in our plans anything on DEPA. So any profit from DEPA will be a windfall to the company.

Today, we have finalized our new loans structures and transaction documentations. And I am pleased to confirm that we have obtained the confirmed support from a number of relationship banks, who will act as MLAs.

I will refrain from announcing more details as this transaction will be launched in the next two to three weeks in the market. So, I do not want to communicate something which maybe commercially sensitive at this point in time, but effectively these support the risks, the refinancing plan as a significant part of this targeted €800 million amount is by the MLA banks. Clearly, on the not so positive message side, is the fact that we will have to recognize a totally different conditions in the market, which means that we will be taking an increase on our average cost of funding, which will come to a much more…in line with the market base rather than what it is today.

On the positive side, our key terms are based on what we have today, there are some changes, but clearly we have a very good set of loan documentations which are tailor made for the Group, it allows enough flexibility, and assuming that everything goes well, we should have a full completion of this refinancing by the end of the year.

So, launching the transaction in September effectively completing it in October, and fully refinancing the Group, by the end of the year, which effectively brings all of the outstanding issues that have been with us for the last couple of weeks…couple of years in terms of uncertainties and strategic developments to a close. So we have a company which is…a Group which is operating on a rebased cost number, so it's generating more value for the same business that it carried out before…a couple of years ago.

We have a Group which has a brand new and modern refinery operating with a lot of cash flows coming in, rather than lot of cash flows being spent in the capital investment, and we have a Group, which is refinanced for the next three to four years without any major issues. So I think these are positive news, which we can share with you. Clearly, there is some work to be done before we get to that point, but we expect to be able to confirm that over the next couple of months.

On Page 15, just to sort of complete the Group overview. We are presenting the page with the benefit that we have achieved, we have reported in our results on the transformation initiatives. Clearly, what used to be a management initiative, a couple of years ago, is one of the main reasons of our success and endurance over the last two to three years. So we are pleased to sort of repeat the fact, that we have generated about €200 million of additional cash flows, from our business.

Now, moving on to the segmental performance, refining is clearly the leader in our Group portfolio. And we have been able to report a 14% increase in our adjusted EBITDA for the second quarter at €152 million. As I mentioned, the key drivers have been export market. We have gained some market share in the Greek market. And of course, the margins environment and the Thessaloniki upgrade with the naphtha gasoline spread differentials. Costs again are down, which is again partly due to the transformation initiatives.

We've put on Page 18, a…an easy to communicate causal track of our EBITDA for the second quarter for refining. And effectively here, you can see the benefit of margins, the increased results from our operations, which is the crude optimization and the supply and trading, lower OpEx and the increase in exports. And within other, the downside within other is that we include amongst other items, the one-off impact from the exceptional circumstances that were with us over the last few months. And that includes the Greek credit crisis and the extreme risk aversion that we experienced in May and June. And of course, the switch of crudes slate in the last few months.

In terms of sales volumes, we have an increase of about 7% that is on the back of share gains in Greece, market share gains as well as increased exports. And I think it becomes quite evident if you go to Page 20, where you see the production by refinery, and it's quite clear that we have benefit also from Aspropyrgos, where we do not have any interruptions in the refinery. So 26% up, we have Thessaloniki, which is in full swing at just over half a million tons.

And of course, Elefsina, which is starting to sort of record some production, this is trial runs of course, unfortunately, it's not…if you like the full run in June, but you will be seeing that coming in the next quarters as a big healthy increase in our production.

In terms of the upgrade projects, we have a nice picture of our refinery. It's…I can assure you that it doesn't do justice, it's a very modern refinery and quite impressive to look at. And at the bottom, we have the main process units, which have been added to the existing refinery. Plus of course, the revamp that took place for all of the other units.

So we have the vacuum gasoil unit, we have the flexicocker and the hydrocracker, which are effectively the three main process units. The refinery has been handed over to our operations teams, so it's no longer a project, it's an operating refinery.

We are quite pleased with the process. Because, first of all, it was a safe startup process, with no material accidents, it was a process whereby…where we invested a lot of money and time and effort by a lot of people in the refinery organization, more than a few thousand hours…man-hours of training have gone behind this smooth handover, particularly for technologies which are new to this Group, and by and large to Europe as well.

Clearly, our key priority is to get the refineries up and running as quickly as possible, we want the cash coming out. But, as you can appreciate, the optimization of a totally new refinery, particularly one which we will work in tandem with another refinery, which is the south-hub, will take some time. And our first indications is that, there is still benefit to be got from running the two refineries as a system. I guess that we have all the time in the world to sort of explore this opportunity and increase the benefit to the Group from this investment.

Moving on to the domestic refining…to the domestic marketing, we have a good performance in terms of results. Clearly, domestic marketing is still suffering from the effect of lower margins, and particularly volumes. The Group has reacted to that and has launched a lot of initiatives to rebate the costs of the two retail companies, EKO and Hellenic Fuels.

And I have to say that, we've seen a lot of improvement, both in terms of market share gains on the C&I business in particular, as well as rightsizing the organization to what is unfortunately today's lower sales volume levels.

It's very important to note that, in terms of credit risk, we have been extra cautious over the last year or so, in order to avoid any material exposures. And that is also one of the reasons why our marine volumes are a bit lower than last year. And as we say at the bottom of Page 22, fixed costs we are significantly down versus last year as a result of these initiatives.

On international marketing, all of the markets have reported some positive news, some better than others. Overall, we have a small improvement in our reported EBITDA, international marketing has acted as a buffer to the Greek zone, not a material one, but still it's reporting $40 to €50 million of EBITDA a year, plus it is a vertical integration opportunity for our refinery production. So there is some value in there, which is not captured by these numbers.

In terms of petrochemicals, we've seen a pretty much stable quarter versus last year at €14 million of EBITDA. The international polypropylene margins improvement clearly is benefiting the performance of petrochemicals. And of course, the recommencement of the Thessaloniki refinery is helping, as a lot of the products come out of that refinery's productions process.

Moving on to our associates, which are Elpedison and DEPA; Elpedison is reporting a lower profitability for this quarter. This was to be expected as a lot of companies are reporting lower demand, as well as retail are reporting lower demand. So we have 3% reduction in the quarter year-on-year. And of course, we had Thisvi, which was on an outage…on a scheduled maintenance outage, during the period.

Clearly, last year comparisons include the effect of the PPC strikes for a short period of time, which if you like, give us a slightly higher base to compare with than what we would otherwise have.

Now moving on to DEPA, we have a company, which is contributing a significant amount of net profits to the Group. We are listing here some of the key financials of the DEPA Group. And of course, we are effectively reporting an adjusted result for DEPA, because over the last 6 to 12 months, DEPA has made a lot of effort to settle and to clear a lot of long outstanding issues, which date over the next… go back over the last 5 to 6 years.

So, what we are seeing here is the net result after this, after the impact of these adjustments, and it includes the retractive Azeri gas adjustment, it includes provisions for the PPC and other arbitrage which have been going on for sometime.

I think that brings us to the end of the presentation. We are not proposing as we usually do to…to go through the financial tables, and we will open the floor to questions from you.

Q&A

OPERATOR: The first question is from Mr. Ekstein Dan of UBS. Please go ahead.

EKSTEIN D: Thank you, good afternoon, it's Dan Ekstein here from UBS. I've got a couple of questions. I think, Andreas, the last time we …we spoke, you were of the view that the refinancing would probably end up with sort of about a 150 basis points increase in your overall weighted cost of debt. I mean, obviously, you are probably a little bit firmer now on exactly what the increase is going to be. Does that guidance still hold or do we need to think about that in slightly different terms now?

And secondly, the margin capture in refining, seems to be exceptionally good actually, I mean, the conditions were clearly helpful, but your improvement in earnings significantly outpaced the improvement in the benchmark margin. So are you… are we right to assume that trading made a significant contribution to the quarter. And if so, I wonder if you could tell us what sort of things you were doing there to increase your and sort of enhance your margin, the sort of strategies you are employing there and how sustainable those are likely to be going forward. Thanks.

SIAMISIS A: Thank you, Dan. On the first point, on the 150 basis points, I am afraid I will not be in a position to give you more details. However, I think that with what we have today at hand, which is pretty much a final proposition, I would expect to have a slightly higher number than that in terms of our cost increase. Clearly, that has to reflect all the conditions in the environment. And I would…I would probably expect to have a slightly bigger number on average coming through our results next year.

The other side of the coin, of course is that, the deleveraging because we will be paying a significant amount of debt, and we will not have to, to have so much negative carry. As you see, we have almost full utilization of our gross debt and a lot of cash. Now, with the refinancing completed or when it gets completed, we will not need to be so risk averse, so I think we will see a benefit on the negative carry of our cash balances as well. So net-to-net, you will see a small increase in our interest above the 150 basis points for this, which will not be material to change the view on the cash flows of the group.

On the refining performance, you are absolutely right, we've had a number of benefits which worked our way. Most of them are things that we did as a result of being a lot more proactive to market changes. And clearly, they are recurring to the extent that the market allows it, because optimizing your products in a market which gives you the opportunity to sort of sell more gasoline for example or to convert naphtha into gasoline is clearly sustainable as long as the crack support that, because if there is a different price set, then that benefit will go away.

We've increased our exports, and I think we have been able to capture that benefit as well, because if you…as you can understand, we have a fixed cost basis as a Group. So running our refineries to a bigger utilization also gives us a benefit in terms of overhead absorption.

We are also mentioning and sort of reporting a small increase in market shares versus last year, which again is sort of moving the needle in our favor, because as you can appreciate, domestic market carries a bigger benefit for the Group as a channel mix. So, it's a combination of three or four different factors, which as I said, provided that prices remain as they are, are sustainable.

EKSTEIN D: Okay, that's very interesting. Thanks a lot.

OPERATOR: The next question is from Mr. Ennebati Mehdi of Société Générale. Please go ahead.

ENNEBATI M: Hi, there, good afternoon gentlemen. I am Mehdi Ennebati from Société Générale. Excuse me, I connected a bit late and I started to look at your presentation a bit late, but just wanted to understand the cash flow from operating activities. So it seems for H1 2012 you generated €122 million, and if I remember well, it was a very negative figure at the end of Q1 2012. So it means, in Q2, 2012, your cash flow from operation has been very high.

I just wanted to know what is the impact from the decrease in the working capital and as well, did you already purchase the crude oil or did you… will you build your inventories for the new Elefsina refinery, please?

SIAMISIS A: Thank you, Mehdi. On…I think your points are spot on…on cash flow and it's clear you've been following our numbers and presentation. The benefit in the second quarter is a result of three things. The first one is the natural seasonality effect of coming out of the heating gas oil. At the end of March, we always carry a lot of heating gasoil stocks or heating gasoil receivables. And that is because the end of the heating gasoil is around the 10th, 15th of April.

So, as we move towards the end of June, we see the recovery of that as a reduction in our receivables. The second impact is from lower stock levels. In terms of compulsory stock obligations, we have a calculation, which takes into account the previous year sales, and it's applied in April every year. So as we have the unfortunate impact of lower sales in the domestic market, at least we get compensated by having a need to keep lower stocks as compulsory stock obligation and that can be a material number.

The third main impact has been the recovery of about €100 million of prepaid VAT tax from the state. Because of the nature of our business, we are VAT exempt, and the fact that we've invested a lot of money for the Elefsina and the Thessaloniki refineries means that we have tied up a lot of VAT payments.

Getting cash out of the tax authorities in Greece was never an easy task and it hasn't been made easier over the last couple of years. However, we've completed our tax audits now for a number of years, and we have been able to recover that. So, that's a pretty material change from these three elements.

In terms of crude for Elefsina, we…our numbers for June reflect pretty much all of the working capital that we need in order to startup Elefsina. So I think we do have maybe a short-term spike in our working capital, which is at the end of June and July as a result of the startup. As Elefsina moves into normal commercial operations and we sort of start exporting product, we will see that working capital easing off a little bit towards the end of the year.

ENNEBATI M: All right, thank you, that's very clear.

OPERATOR: The next question is from Mrs. Rainforth Lydia of Barclays Capital. Please go ahead.

RAINFORTH L: Hi gentlemen, good afternoon and congratulations on the startup of the Elefsina refinery. If I could just go back to the slide you showed on the optimization plans for next year, can you just talk through what these additional benefits are and sort of what…where the optimization comes from. And just in terms of the maintenance that you are looking at for next year, is there any kind of associated maintenance that will need to be done relatively short-term on that.

And then just secondly, if I can go through the transformation benefits and the progress that we've made there, how much further long-term do you think that you can go in terms of where your cost position is versus the competitor group. And if I look at the biggest gap to your own medium-term target, it's the procurement processes. Can you just talk us through what or how you think that will actually move or what gets you to that extra €20 million in that area? Thank you.

SIAMISIS A: Thank you, Lydia. Well, thank you very much for the congratulations. I know you've been monitoring this project for a long time. It's something that we are clearly very proud of and we will welcome all of you to sort of come in and visit not a construction site, but one of the only two refineries in Europe to have a full conversion process with the flexicocker and zero fuel oil production. So we would be happy to see you again on our refineries and demonstrate that.

On the optimization point, I think the key element that we are seeing opportunities is the product slate and how we run our products. As you know, this… both Aspropyrgos and Elefsina are very complex refineries. They have a lot of conversion units and can take a lot of different parameters into account.

So having two complex refineries connected with pipelines and sort of running and being planned as one, allows you to take advantage of small in terms of absolute numbers, but big in terms of impact, changes on the price scale. So, I think most of the benefit will come from production optimization through the linear programming as well as supply chain optimization. And opportunities don't necessarily mean opportunities in terms of EBITDA, it can mean opportunities in terms of cash flows as the working capital and the inventory management becomes a lot easier when you have two fully operating refineries that can interchange between them.

On the transformation, the point about comparing to our target, we have about €200 million benefits. And we've set ourselves a target of about €240 million. I would probably…I would comment on the procurement point first. The gap is there because we achieved the original best 50 project for sort of generating about €50 million of savings. And then we launched a top-up of about €30 million a year ago. So that is why we are sort of presenting a gap to the procurement process. It's a question of time.

On how much we can…how deeper we can go in our cost base in order to generate more cash, well, the answer is there is room to go. Clearly, we are not done yet and we've demonstrated that we've been able to capture additional benefits and that is part of the reason why we are performing so well. I would not expect to see another €200 million a year, but clearly the opportunities are there.

I wouldn't be in a position to quantify how much because everything is a question of time as well. Over the next year or two, I think it's safe to assume that the €240 million will be...target will be met, and clearly if we establish more opportunities, well, I think we've demonstrated that we can pursue a plan to capture that.

RAINFORTH L: Wonderful. Thank you very much.

OPERATOR: We have a follow-up question from Mr. Ekstein Dan of UBS. Please go ahead.

EKSTEIN D: Hi, thanks for taking follow-up. I was curious, and I suspect you may not tell me. But I would be interested to know, what crude you have been filling your tanks with at Elefsina in the current environment. I mean what's making most sense to you, I mean, I guess it could be fairly fluid going forward, and it will depend on market conditions. But I would be interested to know what you are buying at the moment. Thanks.

SIAMISIS A: Well, first of all I think you're right. I won't be able to tell you in detail. First of all, not because I wouldn't want to, which is a case we don't disclose our details. But in all honesty I don't know the full details. However, Elefsina is designed to run on pretty much any type of crude, the heavier the crude, the bigger the benefit one can expect. I think, the crude slate that we have lined up for Elefsina is a mixture between four main sources, it's Euros, CPC, a bit of Saudi and a bit of Libyan crude. So I think between them they account for about 80% to 90%.

EKSTEIN D: All right. Thanks.

OPERATOR: There were no more questions registered at this time. You may now proceed with your closing statements.

COSTOPOULOS J: Well, thank you very much for being with us again. Closing, I just want to say that I mean you guys all know how difficult the situation is here in Greece. And I…in closing, I just want to say that clearly this last quarter and quarter two, we have been helped by a good development in refining margins i.e. some outside help, but I just want to say that, we should not underestimate the self-help i.e. the work that has been done by everybody here at Hellenic and I want to take this opportunity to say that. I am extremely proud of the teams that we have in this company, because the work that has been done particularly in the last six months has been tremendous.

You know, our supply and trading team has done a superb job within a very difficult environment with the Iranian sanctions to replace the…and change if you will the crude slate, within a very tough liquidity environment in Greece, and for Greek companies. And at the same time, within a declining market, we have been able to register market share gains by offering fantastic service to our customers here in Greece and in our export markets.

Our finance teams have done also a fantastic job, again considering the Greek situation. We've been able to, you know, sail through the last year and we continue to do so with very tough cash flow liquidity environments. And as Andreas mentioned earlier on, he and his team, you know, have launched the refinancing of our facilities maturing at the end of the year, and in the first quarter of '13, that refinancing exercise in its final stages now.

And…as he mentioned the new loan transactions are going to…going to be launched over the next couple of weeks.

Again, I think, a major achievement in the environment in which we are operating.

The technical teams you know, the…commissioning and starting up such a large project as the upgraded Elefsis refinery, might be something that happens every year or every couple of years for you know, large multinationals with refineries all over the world.

For us, it's been an amazing challenge, and I have to say that our technical teams in operations, in maintenance, and HSC have done a great job with a flawless, if you will commissioning and startup. We've trained with tens of thousands of hours a lot of people and we have had no accidents whatsoever, and we had a very smooth commissioning.

And as we mentioned earlier on, we are going to see the first shipments coming out in September, and again that's a great success and really all up to hard work from the people. And also at the same time, not taking you away from the needles of the operations of Aspropyrgos and Salonika, which are operating at the same time, you know, with no accidents, full capacity and good results taking advantage if you will of the good refining environment that we have over the last few months and including the third quarter.

And finally, also the retail teams, because you know, running a retail fuels business in Greece these days is a major challenge. And not only, you know, we've increased market shares, but also we've been able to reduce bad debts through outstanding work in credits, through good cooperation between our commercial people and our finance people.

So overall, I think you know, I am happy to announce the good results and the startup of the Elefsis refinery and you know, the progress of the refinancing, but it's all down to you know, a great team of people, which I am very proud of.

So thank you for joining us and for your congratulations. And you know, we are renewing our appointment for the results of the third quarter, where hopefully we will be able to give you some further good news. Thank you for joining us and talk to you soon. And as Andreas says, we look forward maybe in the fall to inviting you all to come down and visit our Elefsis refinery, which you know, we are all proud of and I think it's certainly worth a visit. Thank you again. Bye-bye.